

2011-106 AUDIT SCOPE AND OBJECTIVES—State-Owned Intellectual Property

The audit by the State Auditor's Office will provide independently developed and verified information related to the State's management of intellectual property, and would include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Describe the extent to which the legal environment related to intellectual property has changed since the publication of the State Auditor's report in November 2000. Additionally, review state legislation relevant to the subject area that was introduced, but did not pass since the November 2000 report.
3. Review and assess the policies or guidance issued to state agencies by control or central agencies such as the departments of Finance and General Services, the California Technology Agency (formerly the Office of the State Chief Information Officer), and the State Controller's Office related to the management or protection of the State's intellectual property or the compliance with relevant accounting standards. Additionally, determine the following:
 - a. The extent to which the central agencies coordinate with one another regarding this subject area.
 - b. The extent of the central agencies involvement, if any, in implementing the recommendations contained in the State Auditor's report published in November 2000.
 - c. Whether the central agencies or other entities have conducted studies or issued reports and guidance regarding the protection or management of intellectual property management.
4. Determine what, if any, actions the Attorney General's Office undertakes to protect the State's intellectual property interests in a court of law.
5. Determine whether the State has standard contract language regarding intellectual property that adequately protects the State's interests. Additionally, review and evaluate the policies and practices to ensure contracts include adequate language to protect the State's interests.
6. For a sample of state agencies most likely to develop or maintain a high volume or high value intellectual property:
 - a. Review and evaluate the policies and practices in place to protect their intellectual property. For example, determine whether state agencies follow policies or guidance from the State's control or central agencies.

- b. Determine whether state agencies undertake efforts to maximize potential economic benefits to the State. For example, describe efforts to reduce contract costs or increase revenue to the State from intellectual property rights.
 - c. Determine whether state agencies include appropriate contract language to protect the State's interest regarding intellectual property in their contracts.
- 7. Identify best practices used by the California's research universities to manage and protect their intellectual property.
- 8. To the extent possible, provide a summary of state agency owned intellectual property.
- 9. Review and assess any other issues that are significant to the management of intellectual property.